

~~TOP SECRET~~

CIA No. 50882
Copy No. 10

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE
18 June 1954



25X1

TO: Deputy Director (Intelligence)
SUBJECT: First week of Trieste discussions with Italy

Actual discussions in the Italian phase of the Trieste negotiations began on 12 June following the return to London of Italian delegate Brosio from conferring in Rome with Premier Scelba and Foreign Minister Piccioni. At the first meeting with American delegate Thompson and British delegate Harrison, Brosio presented a number of Italian counterproposals in reply to the original British and American proposals handed him on 1 June.

Various reports from Rome have indicated a division of opinion between the Italian Foreign Ministry, which is interested in proceeding with the London talks, and Scelba and other governmental leaders, who have maintained a negative attitude. Temporarily at least, the Foreign Ministry view appears to have prevailed and the negotiations this week were conducted in a co-operative spirit.

The American attitude, as outlined in a Department of State cable on 14 June, emphasized hope for an amicable and speedy solution with resultant benefits to the West and bolstering of the Scelba government's domestic and international position. A gesture in this direction was the signing, on 16 June, of a military defense support agreement granting Italy \$20 million in aid funds.

Major developments in the London discussions this week are noted under the following subject headings:

(1) The preamble to the four-power "memorandum of understanding": The initial Italian reply of 12 June proposed four changes

State Dept. review completed

~~TOP SECRET~~

Document No.	1	
No Change in Class.	<input type="checkbox"/>	25X1
<input type="checkbox"/> Declassified		
Class. Changed To:	TS	C
Auth.	HR 70-2	
Date:	21 JUN 1978	By:

~~TOP SECRET~~

in wording in the body of the preamble and the addition of a final sentence reading, "The Italian government will be empowered to occupy Zone A with its troops in place of the allied forces."

On 15 June Harrison and Thompson most strongly objected to the proposed change which would read, "The Italian and Yugoslav governments will take over the civil administration," in place of "...extend their civil administration" over their respective zones. This, with the addition of the proposed final sentence, Harrison and Thompson stated, would reopen the entire question of the essential American-British compromise with the Yugoslavs.

(2) Territorial provisions. In his 12 June counterproposals, Brosio stated that Italy considered the zonal boundary delineated in the 1 June proposals much to its own disadvantage and that agreement would be possible only if the concessions were balanced. He submitted a new boundary line that would grant Italy a slice of Zone B roughly equal to a portion Italy would concede to Yugoslavia from Zone A (See attached map). He said that the Italian Foreign Ministry considered the matter of territorial provisions relatively unimportant, although Scelba and other government leaders laid particular stress upon this matter.

Harrison and Thompson on 15 June asked further clarification of the Italian position.

(3) Minorities. On 12 June Brosio said that Italy would agree to a reciprocal statute on human rights. He said that the right of refugees to return to Zone B should be provided for and free circulation between the zones should be permitted. Brosio agreed to consider any proposals that Yugoslavia might present on this subject.

(4) Non-prosecution clause: Brosio did not object to the proposal disallowing prosecution of residents accused of past political activities in connection with the Trieste question.

(5) Free port. On 12 June Brosio stated that Italy was willing to establish Trieste as a free port but without international administration. Any administrative autonomy in port operations, he emphasized, had to be reciprocal and Italy would ask that the Yugoslavs not build up a rival port at Capodistria or would, at least, delay announcing such construction until approximately six months after the final settlement.

On 16 June Harrison and Thompson replied that it would be impossible to request the Yugoslavs not to build a port in

~~SECRET~~

~~TOP SECRET~~

~~SECRET~~
~~TOP SECRET~~

territory controlled by them, but that any aid funds granted Yugoslavia would be entirely separate from a Trieste settlement and any port construction was likely to be small.

(6) Autonomy. Brosio, on 15 June, took a firm position on the question of autonomy. Italy would agree to provisions for local self-government with minority rights, but Yugoslavia must make similar concessions within its zone. Brosio stated that any nonreciprocal declaration would be considered a diplomatic defeat for Italy and would give Tito a future opening to intervene in the affairs of the Italian zone.

On 16 June Brosio hinted that Italy might be willing to make a declaration on autonomy in conjunction with Britain and the United States if this were to be made public in connection with arrangements for the withdrawal of the Allied troops. He guaranteed that Trieste would not be incorporated in an Italian province nor would a prefect be appointed at first.

(7) Slovene Credit and Cultural Institutions. On 15 June Brosio stressed Italy's insistence on reciprocity in the settlement of this issue. No action, he said, should be taken in the direction of granting Yugoslav requests for such institutions before the final Trieste agreements. Harrison and Thompson did not press for immediate accord on this point.

(8) Settlement of financial problems. On 12 June Brosio said that Italy was prepared to pay a small sum which would take into account all claims and counterclaims, including payment for Zone B refugee property, provided such payment was made in goods and services.

On 16 June Harrison and Thompson replied that refugee payments should be separate from the lump sum payment, but detailed consideration was left for later talks.

(9) French participation. On 15 June all parties to the negotiations agreed that the French should be kept informed in general terms as to the progress of the talks. The question of French participation in the final agreement was left open.

Near the end of this week an editorial in the Yugoslav press indicated that the Yugoslav government might be considering the possibility of relaxing its stand on the "definitiveness" of the Trieste solution. The editorial stated that, "Acceptance of a settlement under certain conditions does not mean that national claims must be renounced." This might have

~~SECRET~~
~~TOP SECRET~~

~~TOP SECRET~~

the effect of easing the Italian government's position vis-a-vis Italian public and parliamentary demands for a provisional solution which would not outlaw future Italian claims to Zone B.

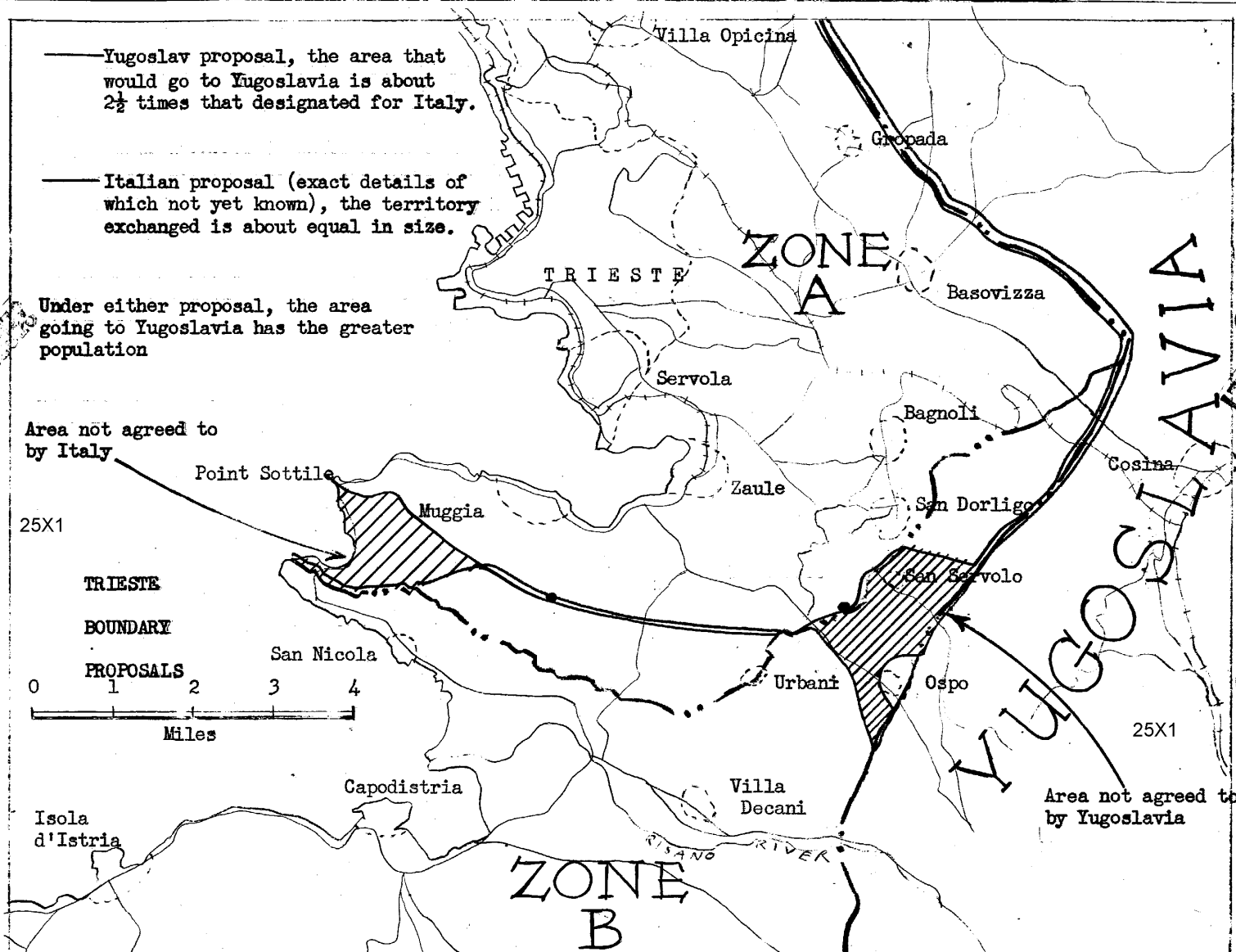
A conversation of 15 June, however, between the American and British ambassadors in Belgrade and Yugoslav foreign under-secretary Bebler indicated that the chances were not good for immediate Yugoslav action toward reopening their zonal frontier, an action that Thompson and Harrison had requested of Velebit as a means of improving the atmosphere.

HUNTINGTON D. SHELDON
Assistant Director
Current Intelligence



25X1

~~TOP SECRET~~



—Yugoslav proposal, the area that would go to Yugoslavia is about $2\frac{1}{2}$ times that designated for Italy.

—Italian proposal (exact details of which not yet known), the territory exchanged is about equal in size.

Under either proposal, the area going to Yugoslavia has the greater population

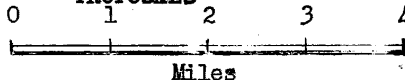
Area not agreed to by Italy

25X1

TRIESTE

BOUNDARY

PROPOSALS



Isola d'Istria

Capodistria

Villa Decani

ZONE B

ZONE A

YUGOSLAVIA

Area not agreed to by Yugoslavia

25X1

25X1

Approved For Release 2007/02/08 : CIA-RDP91T01172R000300160001-2

Approved For Release 2007/02/08 : CIA-RDP91T01172R000300160001-2

